

SCHOOL BUDGET REVIEW COMMITTEE

Summary of Hearings

December 13, 2010

The School Budget Review Committee met in regular session on Monday, December 13, 2010, at the Department of Education, ICN Room, Second Floor, Grimes State Office Building, 400 E. 14th St., Des Moines, Iowa 50319-0146.

Preliminary Briefing. The Committee met on December 3, 2010, for a preliminary briefing on the December 13 schedule. No action is taken at a briefing. The committee was informed that a patron would be presenting during a district hearing and heard the procedures in rules for that; that information on balances was included in December instead of March because of the recent change in law; that a number of districts were in their second or third year of negative unspent balance; and that districts late filing the transportation or CAR-SES reports were included on the agenda as well as those late filing the CAR-COA report. The bureau chief from the Office of Internal Administrative Services provided information on the procedures and timelines related to state aid.

1. Committee Informational Items. No action is taken on informational or discussion items. The committee received information that the South Clay Community School District was dissolved as of July 1, 2010, and therefore is not included on the schedule for a corrective action plan on its negative unspent balance. The committee was given the history of the financial condition warning letters; received the list of the unexpended and unspent balances; received the history of negative unspent balances; received the cash reserve levy limit list; The committee was informed that these numbers could change because several CARs were still outstanding and special education balances have not been finalized. The committee was informed that one district carried over its Phase I modified allowable growth and will expend it in FY11. The reduction in maintenance of effort due to the increase in ARRA IDEA Part B funds and the impact of that on the special education balances was explained to the committee. The Committee discussed the format of findings, good cause, and items needed in the chapter 6 rules amendments when those are written next year.

2. North Polk Community School District. The decision of the Committee in this matter is to accept the amended plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.

3. Supplementary Weighting. The decision of the Committee in this matter is to certify to the department of management the supplementary weightings pending further Department review.

4. Transportation Assistance Grants-in-Aid. The decision of the Committee in this matter is to direct the Department to distribute the transportation assistance aid to the eligible districts on an equitable basis.

5. North Central Community School District. The decision of the Committee in this matter is to approve modified allowable growth for the 2010-2011 school year in the amount of \$495,310 as part of its corrective action plan and to receive and accept the district's corrective action plan. The district is directed to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

6. Ogden Community School District. The decision of the committee in this matter to table action on the request for modified allowable growth for the 2010-2011 school year in the amount of \$236,805 until the March meeting and to receive and accept the district's corrective action plan. The district is directed to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

7. Prairie Valley Community School District. The decision of the Committee in this matter is to approve modified allowable growth for the 2010-2011 school year in the amount of \$49,705 for legal costs and to deny modified allowable growth in the amount of \$295,596 for declining enrollment and expenditures from the capital projects fund; and to receive and accept the district's corrective action, and to direct the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request. The decision of the Committee in this matter is also to direct the district to provide a progress report on its corrective action may at the May meeting showing the savings due to the closing of the facility and its impact on achieving a positive unspent balance at the end of FY2010-11.

8. Southern Cal Community School District. The decision of the Committee in this matter is to approve modified allowable growth for the 2010-2011 school year in the amount of \$522,920 as part of the corrective action plan and to receive and accept the district's corrective action, and to direct the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

9. Hamburg Community School District. The decision of the Committee in this matter is to table action on the request for modified allowable growth for the 2010-2011 school year as part of the corrective action plan and to direct the district to resubmit a corrective action plan at the March 2011 hearing session to cut expenditures by at least the amount by which it was negative. The Committee directs the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

- 10. Hamburg Community School District.** The decision of the Committee in this matter is to accept the plan provided by the district and direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.
- 11. Farragut Community School District.** The decision of the Committee in this matter is to accept the plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.
- 12. Pekin Community School District.** The decision of the Committee in this matter is to accept the plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.
- 13. Colo-Nesco Community School District.** The decision of the Committee in this matter is to accept the plan provided by the district and direct the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.
- 14. Schleswig Community School District.** The decision of the Committee in this matter is to accept the plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.
- 15. Starmont Community School District.** The decision of the Committee in this matter is to accept the plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.
- 16. Waterloo Community School District.** The decision of the Committee in this matter is to accept the plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.
- 17. Woodbury Central Community School District.** The decision of the Committee in this matter is to accept the plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of

Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.

18. Armstrong-Ringsted Community School District. The decision of the Committee in this matter is to accept the plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.

19. Clinton Community School District. The decision of the Committee in this matter is to accept the plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.

20. East Greene Community School District. The decision of the Committee in this matter is to accept the amended plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.

21. SBRC Rule Amendments Adoption. The decision of the Committee in this matter is to adopt amendments for 289 chapters 1 through 8.

22. Fairfield Community School District. The decision of the Committee in this matter is to approve modified allowable growth for the 2010-2011 school year in the amount of \$120,526 as part of the corrective action plan and receive and accept the district's corrective action plan. The district is directed to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

23. Pomeroy-Palmer Community School District. The decision of the Committee in this matter is to approve modified allowable growth for the 2010-2011 school year in the amount of \$183,638 as part of the corrective action plan and receive and accept the district's corrective action plan. The district is directed to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

24. Clay Central-Everyly Community School District. The decision of the Committee in this matter is to table modified allowable growth for the 2010-2011 school year in the amount of \$742,787 as part of the corrective action plan and receive and accept the district's corrective action plan and directed the district to return to the March meeting to provide a progress report on its corrective action plan. The district is directed to submit monthly reports to its board demonstrating the financial position of the district in relationship to its

certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request. The decision of the Committee in this matter is also to recommend to the Department of Education that it conduct a desk review and send a fiscal team to the district for an on-site fiscal review in conjunction with a Phase I accreditation follow-up visit. The Department shall report to the Committee the results of any fiscal review in order for the Committee to determine further action that may be recommended.

25. Exira Community School District. The decision of the Committee in this matter is to receive and accept the district's corrective action plan. The district is directed to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request. The decision of the Committee in this matter is also to recommend to the Department of Education that it conduct a desk review, and possibly an on-site visit, for fiscal review. The Department shall report to the Committee the results of any fiscal review in order for the Committee to determine further action that may be recommended.

26. A-H-S-T Community School District. The decision of the Committee in this matter is to approve modified allowable growth for the 2010-2011 school year in the amount of \$321,564 for the one interim year of an unintentionally lapsed instructional support program which has since been re-implemented.

27. Van Buren Community School District. The decision of the Committee in this matter is to direct the district to determine the full cost of the lease/rental over the time period of the day care and to reimburse that amount to the daycare fund from the PPEL fund, and/or from the LOSST/SAVE fund if the revenue purpose statement allows PPEL uses. The district is then directed to transfer the balance remaining in the day care fund to the general fund to reverse previous interfund transfers from the general fund. The district is directed to calculate the amounts and to make the corrective transfers by February 1, 2011, and to return to the March 2011 hearing session of the SBRC to update the SBRC on the matter being resolved. The Committee directs the Department to communicate the decision of the Committee in this matter to the State Appeal Board.

28. Council Bluffs Community School District. The decision of the Committee in this matter is to accept the plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.

29. Morning Sun Community School District. The decision of the Committee in this matter is to accept the plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.

30. Perry Community School District. The decision of the Committee in this matter is to accept the plan provided by the district and to direct the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.

31. Special Education Balances. The decision of the Committee in this matter is to approve modified allowable growth for the special education deficit for eligible districts that have made requests, to certify the positive and negative balances of funds for each school district to the department of management subject to further department review, and to direct the director of the department of management to make the payments to school districts as outlined in Iowa Code subsection 257.31(14)“b”.

32. Special Education Weightings. The decision of the Committee in this matter is to table action on the special education weighting plan pending further clarification and analysis of the special education data. [Note to districts: the SBRC requested the department to set a special SBRC session in early January 2011 to receive and take action on the recommendation of the director of the Department of Education relating to the special education weighting plan.]